



Community Health Worker Training Program (CHWTP)

# CHW APPRENTICESHIP FINANCING RESOURCE GUIDE

## **I. Introduction**

Some employers are not yet convinced they should invest in Community Health Workers (CHWs) primarily because they need to justify the additional costs involved in hiring and sustaining these positions.

However, your employers should be aware that hiring CHWs is not only financially viable, but that there are additional benefits for hiring them. These additional benefits, such as improved health outcomes for patients, can lead back to cost savings and other financial benefits in a virtuous cycle. There are also new opportunities for reimbursement through Medicare, expanding opportunities for reimbursement through Medicaid, as well as grants and financial incentives to consider.

This document is laid out in the order in which you may want to present ideas to your employers regarding how to finance their CHWs. Given that reimbursement for Medicare and Medicaid may take more time and capacity-building efforts to be successful, those topics are covered in later sections while more immediate solutions such as the return-on-investment and accessing grants and incentives are discussed first.

### **Section II: The Return-on-Investment for Hiring CHWs**

### **Section III: Leveraging Grants and Financial Incentives**

### **Section IV: Medicare Reimbursement**

### **Section V: Medicaid Reimbursement**

### **Section VI: Additional Resources**

Sections II-V have three action steps you can take to discuss financing CHWs with your health employers (example below):



#### **Say This:**

A potential way of phrasing the specific benefit of CHWs.



#### **Share This:**

A document, research, or guide that you can point them to for evidence.



#### **Possible questions or objections and how to respond:**

A few potential responses or critical questions you may hear in the conversation and suggestions on how you can respond.

## II. The Return-on-Investment (ROI) for Hiring CHWs

The return-on-investment (ROI) for health employers who hire CHWs comes in at least three forms – improved health outcomes for patients, improving diversity and connection to local communities, and financial returns. While the first two forms may not be financial in nature, they can lead to actual financial returns as well, which will be discussed below.

### i. CHWs and Health Outcomes for Patients



#### Say This:

“There is ample evidence that incorporating CHWs into your service delivery has a positive impact on health outcomes – from reductions in hospital admissions to improvements in specific health conditions like diabetes.”



#### Share These:

1. [IMPACT “Our Findings”](#)

A variety of research reports about the IMPACT model show both health-related and financial ROI of the program, which utilizes CHWs as a core element.

2. [Evidence-Based Community Health Worker Program Addresses Unmet Social Needs And Generates Positive Return On Investment](#)

Patients in the CHW intervention of this study had a 30% relative reduction in hospital admissions.



#### Possible questions or objections and how to respond:

*“How exactly do CHWs help improve health outcomes?”*

**Response:** “CHWs can improve health outcomes by working with patients in a culturally competent way to ensure they take their medications, follow-up with their healthcare providers, and understand how to manage their health conditions.”

*“Our patients’ health outcomes are already sufficient.”*

**Responses:** “We would like to show you how CHWs can make your health outcomes even better. Are there service areas or strategies for reaching particular patient groups where you would like to improve?”

or

“CHWs can also improve diversity and strengthen your connections to the community. Is that something you are interested in working on?” (see next section below)

## ii. Diversity, Connection to Community and CHWs



### Say This:

“If you are working to improve the diversity of your team, or ways to strengthen your connections to the local community, CHWs can help with both.”



### Share These:

1. [National Association of Community Health Workers \(NACHW\): Advancing Diversity in Community Health](#)  
NACHW conducted a national survey and found 31% of CHWs were African American / Black, 6% were Latin American, nearly 5% were Native American / American Indian, and 11% identified with a combination of racial and ethnic backgrounds.
2. [Community Health Worker: Common Indicator Employer Survey](#)  
In a survey of 120 healthcare organizations, 78% of those who responded agreed that their CHWs are part of building their community’s capacity and 93% agreed that their CHWs advocate for their community.



### Possible questions or objections and how to respond:

**“We already have a diverse staff.”**

**Response:** “Does the diversity that you have match the communities you serve? If not, we can help you recruit from the communities you serve to train them as CHWs who understand their unique needs.”

**“How does strengthening our connections to the local community benefit us as a healthcare organization?”**

**Response:** “Building stronger connections to the local community through CHWs builds trust and increases the likelihood of patients to utilize your services.”

(Note [this reference](#) also linked below)

## iii. Financial ROI From CHW Services



### Say This:

“Many health organizations have reported a financial return-on-investment for including CHWs in their service delivery, based on academic research.”



### Share These:

#### 1. [Community Health Workers: Evidence of Their Effectiveness](#)

A comprehensive list of research studies on the ROI of CHWs compiled by NACHW and the Association of State and Territorial Health Officials, which includes a rural health information hub who saved \$11.20 for every \$1 spent on CHW training.

#### 2. [On the Front Lines of Health Equity: Community Health Workers](#)

A compilation of research by the U.S. Department of Health and Human Services (HHS) that showed patient navigators (another job title for CHW) were more likely to complete treatments and not cancel appointments (canceled appointments can be costly to providers). In addition, an ROI of more than \$2.28 per \$1 spent on CHW interventions was seen in another study.



### Possible questions or objections and how to respond:

***“Will CHWs reduce our billable time because the patients they work with will need less acute care?”***

**Response:** “Actually, as noted in the HHS report, CHWs can ensure patients make their appointments with healthcare providers. In addition, as Medicaid and Medicare [move towards value-based care payment models](#), CHWs can be an integral part of improving patient health outcomes and maximizing reimbursement.”

***“How can we effectively implement CHWs to ensure that we see an ROI?”***

**Response:** “You can start with the guide that is included in this HHS resource and we can support you through our CHW apprenticeship program, which selects and trains CHWs to be highly effective in working with patients.”



## III. Leveraging Grants and Financial Incentives

There are a number of grant programs and financial incentives that could be used to support a CHW apprenticeship program. Many of them either provide funding directly to the employer or allow for a grantee to pass through funds as incentives to hire apprentices. In addition, several federal departments are referenced here that regularly provide funding for public health initiatives, which may be appropriate for funding CHWs.



### Say This:

“CHWs can also be funded with grants and incentives. We could partner with you to access these funds when you hire CHW apprentices.”



### Share These:

1. [State Tax Credits and Tuition Support](#)

A list of states and the tax credit or tuition support programs that can be accessed for the CHW apprenticeship program.

2. [Open Funding Opportunities](#)

Apprenticeship.gov’s list of open federal funding opportunities for apprenticeships.

3. [Grants.gov](#)

Check here regularly for grants from the Department of Labor (DOL) and agencies that fund public health initiatives such as the Centers for Disease Control (CDC), Health and Human Services (HHS) / Health Resources and Services Administration (HRSA), and the Substance Abuse and Mental Health Services Administration (SAMHSA). An example of past funding for CHWs by CDC is the [Community Health Workers for COVID Response and Resilient Communities](#).

4. [Your State and Local Workforce Development Boards](#)

Search for your state and/or local workforce development board [on this site](#) to find the website and contact information. Four specific funding opportunities to look for and ask about are:

- Grant opportunities from the state for training and apprenticeship in healthcare
- Incumbent worker training funds, such as those provided by California’s [Employment Training Panel](#) for employers to upskill their workforce
- On-the-job training contracts, which are usually administered by a local workforce development board for [Workforce Innovation and Opportunity Act \(WIOA\)](#)-eligible trainees

- Funding from local boards for job supports such as uniforms, help with childcare, and transportation for [Workforce Innovation and Opportunity Act \(WIOA\)](#)-eligible trainees

## 5. [Apprenticeship Building America \(ABA\) - 2022 Grantee List](#)

These organizations across the country have received funding from DOL to implement apprenticeship and may have incentive funding available for employers to hire apprentices. Another round of funding for this initiative is currently being finalized for 2024 and new organizations will come online later this year. Check the ABA site regularly for new potential partners that may be able to access incentives for hiring apprentices.

## 6. [State Apprenticeship Expansion Grants \(2023 and 2024\)](#)

These grants help states increase their ability to serve, improve and strategically expand their Registered Apprenticeship Programs (RAP) to enhance the national apprenticeship system. Reviewing the organizations that received grant funds may provide insight into the industries they are focusing on and offer contact information.



### **Possible questions or objections and how to respond:**

***“We don’t have the capacity to pursue federal grants or incentives.”***

**Response:** “We’d be happy to take the lead in identifying opportunities and managing the paperwork, if you are able to sign a letter of support or agree to terms of an incentive program.”

***“Grants and incentives to hire CHWs may help, but they won’t provide long-term funding.”***

**Response:** “It’s true that it is difficult to fund CHWs with grants and incentives alone, but they could provide funding to begin building out your CHW services while we continue to work together on better long-term solutions such as Medicare and Medicaid reimbursement.”

## IV. Medicare Reimbursement

Medicare implemented new rules for the Physician Fee Schedule that allow health and social care organizations to bill for CHW services. These processes are in the early stages of being rolled out, but raising awareness about it among your health employers may be helpful.



### Say This:

“Medicare implemented new rules this year that allow health and social care organizations to bill for CHW services. This is still new and may require new partnerships and changes to your billing procedures, but it could be part of a sustainability strategy for your CHWs.”



### Share This:

1. [Partnership to Align Social Care: HRSN Codes Implementation Resources](#)

A set of resources to explain the new rules and billing codes that can be used for services provided by CHWs, as part of Community Health Integration to address Social Determinants of Health and Principal Illness Navigation (under the direction of a physician or other practitioner).



### Possible questions or objections and how to respond:

*“Our nonprofit organization isn’t set up to bill Medicare.”*

**Response:** “Many nonprofits and community-based organizations negotiate contracts with healthcare providers in order to access Medicare and Medicaid reimbursement. [The Partnership to Align Social Care’s Healthcare Guide to Contracting with CBOs](#) can help you get started with that process.

If you are interested in ongoing discussions about contracting with healthcare providers for reimbursement, there is [information here](#) for a Social Needs Contracting Community of Practice.”

## V. Medicaid Reimbursement



### Say This:

“It’s possible to be reimbursed for CHW services by Medicaid in our state ([check here first](#)). Similar to Medicare billing, it may require new partnerships and changes to your billing procedures, but it could be a part of a sustainability strategy for your CHWs.”





## Share This:

1. [Connecticut Health Foundation’s 50-State Scan of Medicaid Payment for Community Health Worker](#)

This document reviews the specific state Medicaid payment mechanisms for CHWs in the 24 states that currently have them in place and three additional states in the process of implementation (as of January 2024).

2. [Barriers and Strategies to Operationalize Medicaid Reimbursement for CHW Services in the State of Minnesota: A Case Study](#)

CHW Solutions share lessons learned and recommendations for billing Medicaid for CHW services from their work in Minnesota with a variety of health organizations, including community-based organizations and Federally Qualified Health Centers (FQHCs).



## Possible questions or objections and how to respond:

***“We’ve looked into it and the Medicaid reimbursement rates aren’t high enough to cover the costs of hiring CHWs.”***

**Response:** “While the CHW community continues to advocate for higher Medicaid reimbursement rates in the long-term, let’s also consider the return on investment of CHWs, grants, and other financial incentives.” (Review Section II again for ROI and see Section V below for grants and incentives.)

***“Even with Medicaid reimbursement, training an apprentice without experience could be costly and time-consuming for our team.”***

**Response:** “CHW apprentices can start at 40-50% of the wage you pay experienced CHWs. Your cost savings here could be used to fund the time of their mentor and other training-related costs. In addition, it’s the job of our team to support you in the design and implementation of your apprentice’s on-the-job learning.”

## VI. Additional Resources

Many of these resources were referenced in developing this document and can provide additional detail about financing CHWs:

- [Sustainable Financing of Community Health Worker Employment: Key Options for States to Consider](#)
- [Recognizing and Sustaining the Value of Community Health Workers and Promotores](#)
- [Evidence-Based Community Health Worker Program Addresses Unmet Social Needs And Generates Positive Return On Investment](#)
- [Considerations in Designing a Benefit for CHW Services \(private payer focus\)](#)
- [“Community health workers bring value and deserve to be valued too:” Key considerations in improving CHW career advancement opportunities](#)
- [Utilizing the Community Health Worker Model to communicate strategies for asthma self-management and self-advocacy among public housing residents](#)
- [Community Health Worker Support for Disadvantaged Patients With Multiple Chronic Diseases: A Randomized Clinical Trial](#)

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